Filename: WER1987.WKS

(1)

WHOLE EARTH REVIEW SUMMARY FOR 1986 AND PROJECTION FOR 1987
1986 Does NOT include EWEC Production/Editorial Expenses and Income
1987 Does not include extra Signal expenses (except Jeanne's salary).
Assumes need for Direct Mail Start-up fund, but then sees DM as separate account.
Separates out single copy book sales and the column as separate profit centers (see below)

INCOME	<----1986------->		<----1987------->		1987 ASSUMPTIONS
Circulation/Promo					
Renewals	267,440		245,000		Rough est.: expire pool down by 15%, assumes renewals up by 5%.
New (non-DM)	69,904		70,000		Assumes no change from 1986.
Direct Mail	0		0		See separate report on Direct Mail.
Xmas Promo New	18,359		18,500		Assumes no significant changes.
SUBTOTAL		355,703		333,500	
Newsstand					
National Distributor	62,490		52,000		Extrapolated from 1986 3rd & 4th quarter income.
Alternative Distrib.	56,378		57,000		Extrapolated from 1986 3rd & 4th quarter income.
SUBTOTAL		118,868		109,000	
Other					
Unclassifieds	5,934		6,000		No change.
List Rental	28,731		26,000		Assumes loss of income from exchanging 30,000 names.
Back Issue Sales	3,216		4,000		Moderate increase.
Royalties - Compuserve	1,981		2,000		No change.
Royalties - Reprints	566		500		No change.
Contributions	18,558		18,500		No change.
Interest	4,795		1,000		Rough estimte (approx. $20,000 avg. balance)
Miscellaneous	2,714		2,500		No change.
SUBTOTAL		66,496		60,500	
GRAND TOTAL		541,067		503,000	

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EXPENSES	1986	1987	
Circulation/Promo			
Renewals	11,456	15,000	Rough est. of increase in efforts.
General Promo	2,326	3,000	Moderate increase.
Direct Mail	0	15,000	Start up $. See separate report for Direct Mail.
Xmas Promo	7,730	8,000	No significant change.
Inserts	3,103	4,273	#54 expenses * 4.
Printing (Subs)	46,378	42,800	40% of #53 cost ($26,750 * 4 = $107,000).
Sub Fulfillment	42,288	45,000	Assumes moderate increas (not incl. major changes).
Bank Services (Credit Card Fees)	3,572	3,600	No change.
Circ/Promo Salaries	16,500	22,000	KJ & RS each 1/2 time.
Circ/Admin Salaries	n/a	9,000	PD.
SUBTOTAL	133,352	167,673	
Newsstand			
Newsstand Printing	69,567	64,200	60% of #53 cost ($26,750 * 4 = $107,000).
Nat'l. Distr. Fulfillment	9,890	9,800	Based upon #53 expenses.
Alt. Distr. Fulfillment	3,188	3,300	Based upon #53 expenses.
Newsstand Salaries	15,000	16,500	RF 3/4 time.
SUBTOTAL	97,645	93,800	
Other			
List Rental Fulfillment	2,732	2,800	No change.
Taxes - Other	4,168	4,200	No change.
Interest	3,963	2,000	No major new loans.
Miscellaneous	1,070	1,100	No change.
SUBTOTAL	11,933	10,100	
Editorial			
Editorial Salaries	40,181	62,000	1986 plus JC ($12,000) and 2 extra guest editors ($5,000/ea.).
OPS Editorial	5,795	6,000	No change.
Research Salaries	5,615	6,000	No change.
OPS Research	70	100	No change.
Writers/Contributors	37,980	38,000	No change.
Supplies Research	1,067	1,100	No change.
Communications & Networks	1,229	1,200	No change.
SUBTOTAL	91,937	114,400	

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Production			
Production Salaries	45,438	46,000	No change.
OPS Production	8,224	8,500	No change.
Production Supplies	10,132	10,500	No change.
SUBTOTAL	63,793	65,000	

Administrative			
Office Salaries	24,465	30,000	PD, CF, DB.
OPS Office	1,820	2,000	No change.
Workers Comp. Insurance	877	900	No change.
Payroll Taxes	13,975	17,000	22% increase over last year (based on increase in salaries paid)
Office Supplies	5,135	5,500	No change.
Travel & Entertainment	436	500	No change.
Equipment Rent/Maint.	5,774	5,800	No change.
Telephone	11,437	10,000	1986 included some EWEC expense.
Compuserve Expenses	840	900	No change.
Postage	8,011	8,000	No change.
Building Rent & Maintenance	31,517	35,000	12 rent increase.
Utilities	5,566	5,700	No change.
Insurance - General	2,039	2,100	No change.
Legal/Professional	4,540	5,000	No change.
SUBTOTAL	116,432	128,400	
GRAND TOTAL	515,093	579,373	
GAIN/(LOSS)	25,974	(76,373)	

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SUMMARY BY INCOME AREA: COMPARING INCOME & EXPENSES

Circulation/Promo - INCOME	<---1986--->	<---1987--->
Renewals	267,440	245,000
New (non-DM)	69,904	70,000
Direct Mail	0	0
Xmas Promo New	18,359	18,500
SUBTOTAL	355,703	333,500
Circulation/Promo - EXPENSES		
Renewals	11,456	15,000
General Promo	2,326	3,000
Direct Mail	0	15,000
Xmas Promo	7,730	8,000
Inserts	3,103	4,273
Printing (Subs)	46,378	42,800
Sub Fulfillment	42,289	45,000
Bank Services (Credit Card Fees)	3,572	3,600
Circ/Promo Salaries	16,500	22,000
SUBTOTAL	133,352	158,673
Circulation/Promo - Gain/(Loss)	222,351	174,827
Newsstand - INCOME		
National Distributor	62,490	52,000
Alternative Distrib.	56,378	57,000
SUBTOTAL	118,868	109,000
Newsstand - EXPENSES		
Newsstand Printing	69,567	64,200
Nat'l. Distr. Fulfillment	9,890	9,800
Alt. Distr. Fulfillment	3,188	3,300
Newsstand Salaries	15,000	16,500
SUBTOTAL	97,645	93,800
Newsstand - Gain/(Loss)	21,223	15,200

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Other - INCOME

Unclassifieds	5,934	6,000
List Rental	28,731	26,000
Back Issue Sales	3,216	4,000
Royalties - Compuserve	1,981	2,000
Royalties - Reprints	566	500
Contributions	18,558	18,500
Interest	4,795	1,000
Miscellaneous	2,714	2,500
SUBTOTAL	66,496	60,500

Other - EXPENSES

List Rental Fulfillment	2,732	2,800
Taxes - Other	4,168	4,200
Interest	3,963	2,000
Miscellaneous	1,070	1,100
SUBTOTAL	11,933	10,100
Other - Gain/(Loss)	54,563	50,400

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OTHER "PROFIT CENTERS"	<----1986-------->	<----1987-------->	
Book Sales (and Other Products) - INCOME			
EWEC Sales	14,472	15,000	Jan = $3,100 +70 copies/mo.
WESC Sales	7,935	3,000	$250/mo.
Best of CQ Sales	6,206	3,600	$300/mo.
Other Products	235	0	None.
SUBTOTAL	28,848	21,600	
Book Sales (and Other Products) - EXPENSES			
EWEC Purchases	7,492	9,000	Outstanding bills, plus 1000 copies.
WESC Purchases	8,623	2,000	As needed to fulfill sales.
Best of CQ Purchases	14,173	0	None.
EWEC Fulfillment	2,130	1,500	At $1.50/copy for postage, materials.
WESC/Best of CQ Fulfillment	879	750	At $1.50/copy for postage, materials.
SUBTOTAL	33,297	13,250	
Gain/(Loss)	(4,449)	8,350	
Syndicated Column			
Syndicated Column - INCOME	34,600	34,600	No change.
Syndicated Column - EXPENSES	24,832	24,832	No change.
Gain/(Loss)	9,768	9,768	

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DIRECT MAIL INCOME/EXPENSE PROJECTION
3/4/87 dmprojnu diskiworuks 2

ASSUMPTIONS
Pieces 30000 (1 Mailings of 30,000 in August)
Gross Rot 0.04
Avg Order $10
25% Cash, 75% Bill Me
50% Conversion by 90 days

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC
DM ACCOUNT BALANCE	0	$2,000	$2,000	$2,000	$6,500	$7,500	$8,500	$9,500	$7,950	$9,102	$12,972	$30,810
INCOME												
DM Fund	0	0	0	1000	1000	1000	1000	1000	1000	1000	1000	1000
Maniacals	2000	0										
DM Income	0	0	0	0	0	0	0	0	7236	2916	16848	0
Other Income		0		5000								
TOTAL INCOME	$2,000	$0	$0	$6,000	$1,000	$1,000	$1,000	$1,000	$8,236	$3,916	$17,848	$1,000
EXPENSES												
Lists	0	0	0	0	0	0	0	0	0	0	0	0
Printing	0	0	0	0	0	0	0	0	6030	0	0	0
Mailing Hse	0	0	0	0	0	0	0	0	930	0	0	0
Postage/BRE	0	0	0	0	0	0	0	0	116	46	10	0
Postage/Bulk	0	0	0	0	0	0	0	2550	0	0	0	0
Consultant Fee	0	0	0	1500	0	0	0	0	0	0	0	0
TOTAL EXPENSE	$0	$0	$0	$1,500	$0	$0	$0	$2,550	$7,084	$46	$10	$0
MONTHLY GAIN/(LOSS)	$2,000	$0	$0	$4,500	$1,000	$1,000	$1,000	($1,550)	$1,152	$3,870	$17,838	$1,000
EOM DM ACCOUNT BALANCE	$2,000	$2,000	$2,000	$6,500	$7,500	$8,500	$9,500	$7,950	$9,102	$12,972	$30,810	$31,810

(1)

BREAK EVEN POINTS
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ASSUMPTIONS

Annual Deficit:	$75,000
Fulfillment Cost/Sub:	$3.15
Price of sub:	$18

Direct Mail:

No. of Pieces	Return %	Avg Order	Income	Cost	Profit/(Loss)	No. Subs Gained Per Mailing	Cumulative Sub Gain
15000	0.04	$18.00	$6,750	$6,500	$250	375	375
30000	0.04	$18.00	$13,500	$11,000	$2,500	750	1125
60000	0.04	$18.00	$27,000	$20,000	$7,000	1500	2625
120000	0.04	$18.00	$54,000	$25,000	$29,000	3000	5625

Subscription Base to Break Even

Margin per Subscription:	$14.85
# Add'l Subscribers Needed to Break Even:	5000